



# Industry Advisory Panel Meeting

## Representing the Procurement Team

- Planning Division  
OBO/PD – Jay Hicks
- Planning Integration Division  
OBO/PD/PID – Nick Retherford
- Acquisition Division  
A/LM/AQM/FDCD – Walter Cate

## Procurement Team Action in 06 and Beyond

The following slides illustrate how the procurement team is implementing the “New Ways to Think-New Ways to Build Program for 2006 and Beyond”



# 1. MOVE to a true risk allocation process that is fair, clear and acceptable to all parties.



## *OBO's Management Information Forum Forum Summary*

<u>Issue</u>	<u>Risk Allocation</u>
• Security Stewardship	(OBO & Contractor)
• Site Conditions	(OBO)
• Host Country Approvals	(OBO)
• Schedule Duration – 15-28 Months	(Contractor)
• RFP Discipline	(OBO)
• Currency Fluctuation	(Contractor)
• Timely Submittals	(Contractor)
• Design Changes (outside the SED)	(OBO)
• Design Review Delays	(OBO)
• Construction Permit	(Contractor)
• Timely Responses to RFI	(OBO)
• Change Order Management (schedule)	(OBO)
• REBR Doors/Windows GPE	(OBO)

**Read the Contract – OBO & Contractor**



## Procurement Team Action in 06 and Beyond

- The 06 RFP allocates risk as presented at the OBO Management Forum with the exception of site conditions on several sites
- The 07 RFP will be revised to clarify language and reinforce the intended risk allocation



## 2. AVOID adding a non-traditional scope of work to the General Contractors/Design-Build team.

### Procurement Team Action in 06 and Beyond

- Standardization of Section C
- Standardization of all J Attachments
- Only areas of the scope of work that are non-traditional are those that have to be non-traditional such as DS requirements and IBC code supplements

Section C - 1.6  
NEC NOB Template  
Revisions as of 11 May 2006

STATEMENT OF WORK

Section C  
Statement of Work  
For Design-Build Services  
FY06 SED U.S. Diplomatic Mission Compounds  
FY06 Post, Country

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C.2.1.8 Blast Resistant Door and Curtain Wall System  
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C.2.3 New Office Building (NOB) Design Requirements  
C.2.3.1 Standard  
C.2.3.2 Project Specific  
C.2.4 New Office Annex (NOA) Design Requirements  
C.2.4.1 Standard  
C.2.4.2 Project Specific

United States Department of State  
Design-Build Services Contract for (FY06 Post, Country) NEC

Document

SECTION J - LIST OF ATTACHMENTS

J.1 ADMINISTRATIVE DOCUMENTS

J.1.1 DE Security Classification Guide for Design & Construction of Construction  
November, May 2003  
J.1.2 DCU Construction Release Certificate, Apr 1978  
J.1.3 Standard Form 27, "Performance Bond" May 1994  
J.1.4 Standard Form 274, "Performance Bond" Oct 1996  
J.1.5 Sample "Final Letter of Guarantee"  
J.1.6 Form DD-1017, "Mailing List Application for Construction Contract"  
Attachment A, B, DD-1017, "Construction Performance"  
J.1.7 Sample "Subcontracting Inspection/Inspection Contract" Sept 2001  
J.1.8 Subcontract required in the Electronic Subcontract Reporting System (eSRS)  
J.1.9 Sample "Summary Subcontracting Report" Oct 2001  
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J.1.30 Subcontract required in the Electronic Subcontract Reporting System (eSRS)

J.2 DESIGN REQUIREMENTS DOCUMENTS

J.2.1 OBO Information/Code Supplement/OBO-IC-1  
J.2.2 SED-IC-1 Document  
J.2.3 Requirements Information Package  
J.2.4 Telecommunications Requirements  
J.2.5 Technical Security Requirements  
J.2.6 Commercial Product Data  
J.2.7 Local Level Reliability Requirements/Requirements  
J.2.8 Reliability General Maintenance (RCM) Manual  
J.2.9 Windows & Support Asset Application Manual (If Applicable)  
J.2.10 LEED Supplement

J.3 PROJECT-SPECIFIC DESIGN REQUIREMENTS DOCUMENTS

J.3.1 Space Requirements Program (REP)  
J.3.2 Site Planning Document  
J.3.3 Supplemental Drawings  
J.3.4 OBO Project-Specific Electrical Specifications  
J.3.5 Project-Specific Electrical Requirements  
J.3.6 OBO Project-Specific Electrical  
J.3.7 Host Country Documents (If Applicable)



### **3. ALLOW specialty Contractors to perform highly sensitive and special work (separate contract).**

#### **Procurement Team Action in 06 and Beyond**

- The 06 RFP requires coordination by the Design Build Contractor with OBO Specialty Contractors providing Telecommunications and Technical Security Systems
- The 07 RFP will look for new ways to reduce burden on the Design/Build Contractor



**4. REPRESENT to the Design-Build team that all “Rights of Passage” issues have been handled to the extent that they will not impact an orderly construction process.**

## **Procurement Team Action in 06 and Beyond**

The 06 RFP includes incorporation of pertinent “Rights of Passage” information identified in the Initial Planning Survey (IPS) documentation including:

Availability of Infrastructure

Customs Procedures

Import Procedures

Real Estate Titles

Security Waivers

VAT Procedures

Construction Permits

Host Country Constraints

Labor Requirements

Security Exceptions

Local Tax System

Zoning



## 4. REPRESENT to the Design-Build team that all “Rights of Passage” issues have been handled to the extent that they will not impact an orderly construction process.

*Host Government Approval*

Letter to the Government

Letters from the Host Government

Sample Site Plan

The diagram illustrates the 'Host Government Approval' process. It features a central 'Sample Site Plan' showing a coastal development with various buildings and infrastructure. Overlaid on this plan are several documents: a 'Letter to the Government' on the left, 'Letters from the Host Government' in the center, and a 'Sample Site Plan' at the bottom. A small circular seal is visible in the top left corner of the diagram area.

*Integrated Planning Review*

The **Integrated Planning Review (IPR)** expands the analysis begun under the IPS and includes, real estate due diligence deliverables, the Space Requirements Program (SRP), a series of site and floor plan diagrams

The diagram for 'Integrated Planning Review' features a small circular seal in the top left corner and a small graphic of a building with the letters 'OBE' in the bottom right corner.



## 5. MOVE to provide simple, clear and firm RFP (language for procurement).

### Procurement Team Action in 06 and Beyond

- The Procurement Team will review 06 solicitations and analyze Bidder Inquiries to identify areas where more simple, clear and firm RFP language can be developed
- For 07 the Procurement Team will solicit an independent third party review of the entire RFP

Id	Discipline	Sheet	Detail	Spec
118219	Structural	Clarification	Clarification	Spec Sec 3300
Contractors shall understand that US rebar is acceptable, but that if a local source is proposed, the process is to have the local rebar tested by one of the independent labs listed in the Spec Section 3300. If the contractor proposes another independent (ie. local or regional) lab, they need to have that lab approved. On: 26-Jun-06.				
<b>Government Response.</b> Contractors shall understand that if a local source is proposed, the process is to have the local rebar tested by one of the independent labs listed in the Spec Section 3300. If the contractor proposes another independent (ie. local or regional) lab, they need to have that lab approved. On: 08-Aug-06				
Current Request Status: <b>Request Closed</b>				
<b>Sensitive But Unclassified (SBU) (Information for this report is procurement sensitive.)</b>				
119750	Other			L.23.2.2.2
Reference Section L.23.2.2.2 AREA 2: SAFETY: Please confirm that the last sentence that reads, "Separate element submissions are required for the Design/Build and Operation and Maintenance services," is not applicable. On: 11-Jul-06.				
<b>Government Response.</b> The following statement "Separate element submissions required for the Design/Build and Operations and Maintenance services" is not part of the RFP and should have been deleted. An amendment will follow to reflect the exclusion of the statement. On: 08-Aug-06				
Current Request Status: <b>Request Closed</b>				
<b>Sensitive But Unclassified (SBU) (Information for this report is procurement sensitive.)</b>				
122289	Mechanical			Section C Appendix A-C.A.2.11.d
Energy simulations are to be performed using DOE-2 Building Modeling and Simulation software or an OBO approved alternative software. What are the other OBO approved alternatives? On: 18-Jul-06.				
<b>Government Response.</b> The intent of the DOE-2 Building Modeling Simulation is to provide an hour by hour energy consumption for the entire year (24/7/365). Three other acceptable programs that provide this simulation are: Trane TRACE, Carrier HAP (Hourly Analysis Program) and the US Army Corps of Engineers/CERL BLAST (Building Loads and System Thermodynamics) programs. On: 24-Jul-06				
<b>Government Response.</b> The intent of the DOE-2 Building Modeling Simulation is to provide an hour by hour energy consumption for the entire year (24/7/365). Three other acceptable programs that provide this simulation are: Trane TRACE, Carrier HAP (Hourly Analysis Program) and the US Army Corps of Engineers/CERL BLAST (Building Loads and System Thermodynamics) programs. On: 24-Jul-06				
Current Request Status: <b>Request Closed</b>				
<b>Sensitive But Unclassified (SBU) (Information for this report is procurement sensitive.)</b>				



## 6. ENSURE estimates are derived from empirical data extracted from normal conditions.

### Procurement Team Action in 06 and Beyond

The Procurement Team will analyze 06 cost estimates and bids received to identify current market conditions and utilize data to adjust budget estimates for upcoming projects



#### *Cost Estimating*

- Structured disciplined process that includes Risk Allocation (Williams #1)
- Budget development – realistic budget estimates
- Market research addresses local market conditions (Williams #6)
- Cost escalation is researched through various recognized industry resources (Williams #6)







## 7. MOVE Value Engineering to the planning phase of Project Development.

### Procurement Team Action in 06 and Beyond

Value Engineering, now done during the Integrated Planning Review, serves to improve the value of the project and expedite performance of the Design Build contract






# 11. DELIVER a building site that is ready for construction now.


## Procurement Team Action in 06 and Beyond

- Early Site Work contracts were awarded in 06 on eligible projects to ensure that these sites were ready to build
- The team will deliver Ready-to-Build sites on all 07 projects through either work negotiated with the Seller or Early Site Work contracts




*Ready-to-Build Sites*  
What OBO Will Deliver

- OBO will provide:
  - Planning and zoning approvals for the intended development.
  - Host government authorization for USG diplomatic use.
  - Host government certification of no known outstanding civil aviation, cultural, historical, archaeological issues regarding the site.
  - Site legally registered/titled in the name of the U.S.A.
  - Site free of unresolved restitution or 3<sup>rd</sup> party property claims.
  - Subsurface investigations and foundation recommendations.
  - Proposed grading plan.
  - Survey of boundaries, topography and utilities.
  - Easements, rights of way and roadways to provide access.
  - Utility infrastructure up to the site.
  - Remedies to post-award on-site discoveries.



*Ready-to-Build Sites*  
What OBO Will Deliver

- Ready-to-Build Sites will be:
  - Secured until handover to the design/build contractor.
  - Cleared and grubbed.
  - Free of environmental hazards.
  - Cleared of unexploded ordnance.
  - Free of buildings, foundations or other structures.
  - Cleared of squatters and any legal occupants.
  - Cleared of debris and trash dumps visible on the surface.





## 16. DEAL appropriately with change orders immediately (set time periods in the early stages of the process).

### Procurement Team Action in 06 and Beyond

- Internal procedures were developed in 06 and will be implemented by a new contract clause in 07
- New Section H contract clause on Change Order Processing for 07:

*In the event a change to the contract is required, either due to a request from the Government or as identified by the Contractor, the Government will endeavor to issue an appropriate modification, if required, within thirty (30) days if within the authority of the Contracting Officers Representative or within sixty (60) days if additional approvals are required.*



#### Change Order Management

##### *"Prevention, People and Process"*

- OBO has moved<sup>1</sup> to share the risk, will avoid<sup>2</sup> non-traditional SOW, will represent<sup>4</sup> clearly "Rights of Passage", will fix<sup>10</sup> customer expectations and move<sup>13</sup> to a standard design equaling approved CDs in an effort to eliminate changes.
- OBO will look<sup>8</sup> for Project Directors who will maintain a strong team and insure consistency in the interpretation of contract documents.
- OBO will pay<sup>9</sup> more attention to the contractor's on-site staff to insure they have the credentials to clearly execute the terms of the contract.
- OBO will deal<sup>16</sup> appropriately with Change Orders.
  - Issue Request for Proposal when change is identified.
  - Issue modification at field level if within the Project Director's warrant (<\$25,000).
  - Coordinate with CO to issue mod within 30 days.
  - For REAs:
    - A/LM will provide written response acknowledging receipt of the request and indicating whether or not sufficient information has been provided for the USG to evaluate.
    - PE/CC will forward recommendation to CO within 25 days.
    - If REA decision finds merit, then issue mod within 30 days.
    - Contractor can request review by OBO/PE and/or A/LM.
    - Contractor and/or OBO can request Alternate Dispute Resolution.






**17. DESIGN reviews must be expedited and cannot generate requirements that add to scope without identifying funding and allowing time extension.**

## **Procurement Team Action in 06 and Beyond**

In addition to the Design Review Checklist and upgrades made to the ProjNet system to allow for faster downloads of project design and construction information the Integrated Design Review process was enhanced in 06 to allow the Design Build Contractor to request Interim Reviews to expedite the design process




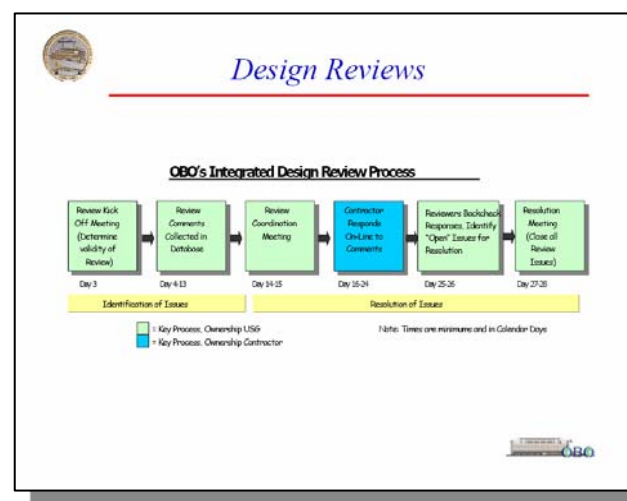
## 17. DESIGN reviews must be expedited and cannot generate requirements that add to scope without identifying funding and allowing time extension.

  
*Design Reviews*

**Integrated Design Review** is the review of design submittals that ensure that the appropriate level of effort, content and security has been integrated into our design and construction products. The IDR Process consists of two distinctive efforts:

- Identify Project Design Issues
- Resolve Project Design Issues





  
*Design Reviews*



**Design Review Checklist:** Implemented to provide consistent and objective quality assurance (i.e. to discipline the process).



  
*Design Communications*



**ProjNet:** with Dr.Checks, was developed as Web-based communication, collaboration and tracking tool.

